



**THE OFFICE OF
STATE TREASURER
DENISE L. NAPIER**

NEWS

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State Treasurer, Attorney General Announce Upcoming Trial to Recover Millions in State Pension Fund Losses

(Hartford) - State Treasurer Denise L. Nappier and Attorney General Richard Blumenthal today announced that a class action lawsuit seeking to recover millions of dollars that the state pension funds lost when a California fiber optics company hid news of expected large losses is scheduled to go to trial October 22 in California federal court.

The lawsuit alleges that JDS Uniphase Securities and its officers violated federal securities laws by concealing key financial information from investors, including the Connecticut Retirement Plans & Trust Funds (CRPTF). As a result, the state and other investors lost billions of dollars in 2001 when huge losses became public, causing the company's stock to lose 99 percent of its value.

The action alleges that four top ex-JDS executives sold millions of dollars of company shares while knowingly making misleading statements about the company's financial future.

Nappier, with assistance and advice from Blumenthal, sought and obtained lead plaintiff status in 2002, putting her in charge of all legal action against JDS. Other stockholders also filed lawsuits against the company. The U.S. District Court for Northern California in Oakland consolidated the plaintiffs into a single class action lawsuit, designating Connecticut the lead plaintiff because it suffered the largest single loss -- \$65 million.

"The company and its owners secretly jumped ship, leaving investors to sink," Blumenthal said. "I will vigorously assist efforts to recover tens of millions in state dollars lost when JDS executives mislead investors, even as they cashed out by cashing in on inside information. This trial sends a powerful message: lie about your company's financial situation and you will pay a heavy price."

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JDS remains in business. The Treasurer's Office and other plaintiffs hope to recover their losses from JDS' assets, as well as the personal fortunes of ex-company executives. The former executives amassed much of their wealth from questionably timed sales of JDS stock.

Blumenthal and Nappier said that the state is seeking to recover as much as possible, but is likely to win back at best a percentage of the \$65 million loss.

The case will be only the tenth securities class action to go to trial since the 1995 enactment of the Private Securities Litigation Reform Act; only four have resulted in verdicts.

The Connecticut Retirement Plans & Trust Funds (CRPTF) consists of six state pension and eight state trust funds. The Treasurer's Office manages the retirement funds for approximately 160,000 teachers, state, and municipal employees who are plan participants and beneficiaries, as well as state of Connecticut academic programs, grants, and other financial initiatives.

The Attorney General's Office hired Labaton Sucharow LLP of New York City to try the case for the plaintiffs.

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